



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:
3590
UTU-0126943
(UT-923)

JUN 26 2008

CERTIFIED MAIL--Return Receipt Requested 7007 3020 0000 4147 5864

Mr. Stewart Greene
American Gilsonite Company
HC 73 Box 28
Vernal, Utah 84078

Re: Notice of Non-Compliance Federal Gilsonite Lease UTU-0126943

NOTICE OF NONCOMPLIANCE

Dear Mr. Greene:

Background- The Bureau of Land Management (BLM) Utah State Office issued a mining plan approval on July 18, 2006 for the mining of the upper slope on Federal Gilsonite Lease UTU-0126943 for the Wagon Hound 18 mine. The approval stated "The mining plan is approved to drive a drift under a 30 foot surface pillar and then mine a slope about 550-600 feet in length."

Non-Compliance- The latest map that has been sent to BLM (see enclosure) by American Gilsonite shows the surface pillar is less than 30 feet. BLM contacted American Gilsonite Company (AGC) and confirmed that this was correct.

How to correct Non-Compliance- To rectify this Notice of Non-Compliance, AGC must submit a plan of action within 30 days of receipt of this notice. The plan of action must address what will be done to address the non-compliance and the time table in which the work will be accomplished. In the event that you choose not to abide by this notice of non-compliance, you may be subject to enforcement actions in 43CFR 3598.4

If you have further questions and information please contact Mr. Stan Perkes, (801) 539-4036 of my staff.

Sincerely,
JAMES F KOHLER

James F. Kohler
Chief, Solids Minerals Branch

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Enclosure: AGC Map

RECEIVED

JUN 27 2008

DIV. OF OIL, GAS & MINING

bcc: Central Files
Vernal Field Office
Utah Division of Oil, Gas, and Mining (Attn. Leslie Heppler), P.O. Box 145801 SLC, UT
84114-5801
Files - UTU-0126943
Chron File
0126943firstslopeNON6-19-08SP-SA